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## North's Secretary Destroyed Files, Is Given Immunity

By Philip Shenon  
New York Times Service  
WASHINGTON — The personal secretary to Lieutenant Colonel Oliver L. North has been granted immunity by a special prosecutor and has acknowledged that she destroyed internal National Security Council documents in the hours before the Justice Department planned to review the colonel's files, her lawyer said.

The secretary, Fawn Hall, spent nearly an hour destroying the documents in what she believed was a "routine shredding" of classified National Security Council material, the lawyer, Plato Cacheris, said Saturday.

Mr. Cacheris said in an interview that Colonel North, who has become a focus of the investigation of the Iran-contra affair, apparently did not order the shredding but was aware that Ms. Hall was destroying the documents, including computer messages, and did not stop it. "No one particularly told her," the lawyer said. "It was done as part of a routine shredding. That's her version."

The day after the reported shredding, Justice Department investigators trying to unravel the U.S. arms sale to Iran arrived at the National Security Council offices at the White House and went through the files of Colonel North and others. Sources said Saturday night that it was clear that the special prosecutor in the Iran-contra affair, Lawrence E. Walsh, was attempt-



Shiite Moslem civilians cheered Syrian troops Sunday as they arrived in West Beirut.

## Syrian Force Enters West Beirut

United Press International  
BEIRUT — Thousands of Syrian soldiers deployed Sunday in West Beirut in a first step toward ending three years of chaos in the militia-ruled capital. Cheering Lebanese lined the coast highway as the troops, riding on Soviet-made tanks and armored personnel carriers, moved to the edge of the city.

Israeli reconnaissance planes flew overhead as the column moved down from the Chouf mountains to the Mediterranean coast, then down the highway to Beirut. The deployment marked the first intervention by Syria, the main force power broker in Lebanon, in more than a decade.

## Monetary Pact Seeks To Keep Present Rates

### 6 Key Nations Reach Accord On Currencies

By Ferdinand Protzman  
International Herald Tribune  
PARIS — Finance ministers and central bankers of six leading industrialized nations agreed Sunday to stabilize currency exchange rates around their current levels and to pursue policies to reduce trade imbalances, while promoting non-inflationary economic growth.

The group agreed to a vague package of coordinated economic policies. Japan and West Germany agreed to stimulate their economies, and the United States pledged to reduce its budget deficit and to "introduce a wide range of policies to improve its competitiveness and to enhance the strength and flexibility of its economy."

The meeting of the United States, Japan, West Germany, Britain, Canada and France came against the backdrop of a global economy increasingly strained by the sharp decline of the dollar, rising protectionist sentiment in the United States and Europe, and slowing economic growth that has raised fears of recession.



Treasury Secretary James A. Baker 3rd talks with Japan's finance minister, Kiichi Miyazawa, after the Paris meeting.

## LATE NEWS Police, Basques Clash in Spain

SAN SEBASTIAN, Spain (Reuters) — Hundreds of young Basques fought with the police Sunday to protest the expulsion by France of a suspected separatist. There were no injuries or arrests.

José Iñuriarte Gallardo, the suspected separatist, was handed over to the Spanish police Saturday night. He was the 32nd expelled separatist to be expelled since July.

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GENERAL NEWS  
Ronald Reagan told arms negotiators to adhere to a broad interpretation of the anti-ballistic missile treaty. Page 2.

BUSINESS/FINANCE  
Gulf oil states met to consider how to prop up prices. Page 7.

## French Police Capture 4 Top Terror Suspects

By Julian Nundy  
International Herald Tribune  
PARIS — Four leaders of the French guerrilla group Direct Action were arrested over the weekend, the Interior Ministry said Sunday.

The four arrests, made Saturday at a remote farm near the Loire Valley city of Orleans, gave the government's anti-terrorism campaign a spectacular boost after a year in which France has experienced some of its worst terrorism attacks.

The arrests came just before the trial in Paris of Georges Ibrahim Abdallah, an alleged Lebanese guerrilla leader, for the murders of a U.S. military attaché and an Israeli diplomat. The trial is due to start Monday.

Police said that those arrested in the farm near the village of Vitry-aux-Loges included France's two most wanted guerrillas, Jean-Marc Rouillon, 34, and Nathalie Menigon, 29, described as "historic leaders" and founders of the extreme leftist Direct Action. They arrested a four-and-a-half year search.

The others were Joëlle Aubron, 27, and Georges Cipriani, 35. Miss Menigon and Miss Aubron were both sought for the murder Nov. 17 of Georges Besse, the chairman of the state-owned Renault automobile company, and photographs of them had been posted throughout France. Mr. Besse was shot outside his home in Paris.



A medic aided victim of Sunday's explosion in Jerusalem.

## Jerusalem Blast Wounds 12 Policemen, 5 Others

Reuters  
JERUSALEM — Seventeen persons, including 12 Israeli policemen, were wounded Sunday in an explosion apparently caused by Arab guerrillas outside the Damascus Gate of Jerusalem's Old City, police said.

The explosive device, either a bomb or a hand grenade, went off during the change of shifts between two patrols of border policemen. [The Palestine Liberation Organization claimed responsibility for the explosion. The Associated Press reported Sunday from Tunis. A PLO spokesman said the attack was carried out by a group called the Al-Fatah Brigades.]

In Jerusalem, Police Chief David Druze said, "At this time it's not clear to us yet if we're talking about a hand-grenade explosion or a bomb blast." Most of the casualties appeared to have been slightly wounded by shrapnel.

Security forces took 70 Arabs into custody for questioning. The Jerusalem police commander, Yossi Yehuda, said the blast could be linked to either of two anniversaries — the 18th anniversary of the founding of the Democratic Front for the Liberation of Palestine or the date the al-Aqsa Mosque was set ablaze by an Australian.

## In Israel, a Sense of Unity at a War-Crimes Trial

### Many Hope Demjanjuk Case Will Provide Focus for a Bitterly Divided Nation

By Glenn Frankel  
Washington Post Service  
JERUSALEM — The line begins forming around 8 o'clock each morning and it is a bit longer every day. It is a mixed group — teachers and students, retirees and adolescents, black-garbed yeshiva students and gun-chewing teen-agers in blue jeans — united by curiosity and a sense of Jewish identity. They wait to enter a former movie hall that has been converted into a courtroom. Inside, a retired auto mechanic from Cleveland stands accused of torturing and executing thousands of Jews at the Treblinka death camp in central Poland during World War II.

At first, it appeared that most Israelis cared little about the trial of John Demjanjuk, which opened Feb. 16. The Holocaust, in which six mil-

## A Message to the Markets Finance Officials' Accord Signals Intention to Stop Dollar's Free Fall

By Carl Gewirtz  
International Herald Tribune  
PARIS — The weekend meeting here of finance ministers and central bank governors from six leading industrialized nations produced no surprises but gave financial markets an important message: The dollar will not be allowed to continue its free fall.

Additionally, economic policies in West Germany and Japan will be more oriented to spurring domestic expansion and the still elusive goal of economic policy coordination is making some progress.

"It's a useful statement in policy coordination," said Rimmer de Vries, chief economist at Morgan Guaranty Trust Co. in New York, in a telephone interview. "It sets the framework for the direction we ought to be going in."

There were no major breakthroughs, however. And considerable doubts persist about the Reagan administration's ability to deliver on its promise to reduce the U.S. budget deficit and on the willingness of Japan and West Germany to spur domestic demand in a meaningful way, all key elements in the weekend agreement.

Nevertheless, the major participants — the United States, Japan and West Germany — each could feel that the meeting had produced some progress. The U.S. Treasury secretary, James A. Baker 3d, won commitments from Japan and West Germany that more stimulus to growth is needed as a prerequisite to reduce the U.S. trade deficit, which totaled nearly \$170 billion last year.

The Japanese finance minister, Kiichi Miyazawa, embassied at home by the breakdown of an October agreement with Mr. Baker to stabilize the exchange rate, got the meeting he had long sought to renew the stabilization plan.

And Finance Minister Gerhard Stoltenberg of West Germany succeeded in deflecting pressure for applying even stronger stimulus to domestic demand than what he was delivering on its promise to reduce the

in West Germany and Japan will be more oriented to spurring domestic expansion and the still elusive goal of economic policy coordination is making some progress. "It's a useful statement in policy coordination," said Rimmer de Vries, chief economist at Morgan Guaranty Trust Co. in New York, in a telephone interview. "It sets the framework for the direction we ought to be going in."

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## Early Test for the Dollar

International Herald Tribune  
PARIS — Foreign exchange traders said the agreement reached Sunday was likely to be put to the test almost immediately.

"When Tokyo opens up tomorrow morning, the dollar is going in the bucket," said a Chicago-based dealer who asked not to be identified. "There was nothing solid in the agreement. The G-5 is looking for an easy way to stop the dollar's fall. The first thing the market is going to try and find out is when, where and how strongly the central banks will intervene to support the dollar."

In early Tokyo trading, the dollar was quoted at 162.80 Deutsche marks, after opening at 161.90 D.M. Those quotes compare with a late Friday New York quote of 1.6310 D.M.

## Argentina Issues Warning on Debt

Compiled by Our Staff From Dispatches  
NEW YORK — Argentina, mirroring Brazil's announcement Friday that it would indefinitely suspend interest payments on around \$68 billion in commercial bank debt, has warned that it might stop payments on its \$53 billion debt if banks refuse its request for new loans to meet growth targets.

"If the international banks don't grant us the \$2.15 billion we asked for, priority will be given to growth of the gross domestic product rather than meeting foreign debt payments," Treasury Secretary Mario Broderosohn told reporters on Friday.

Mr. Broderosohn, speaking after Brazil's president, José Sarney, announced the Brazilian debt freeze in a nationwide television address, said a new loan was essential for meeting Argentina's growth target this year of 4 percent.



# In Chicago, a Divisive Democratic Primary Matches the Storms on Lake Michigan

By Andrew H. Malcolm  
New York Times Service

**CHICAGO**—The mountainous waves of a brimming Lake Michigan that pounded this city's lakefront in recent weeks could serve as an apt symbol of Chicago's political season.

For while the wind-driven water washed over the beaches, backyards and a few streets, politicians swept back and forth across the crucial wards lining the same lakefront. The challengers for mayor denounced impartial inaction that they said permitted the lake to overflow in an affluent area. The mayor took credit for reopening the area's flooded roadways.

But all the braving of crashing waves for the television cameras underscored an unstated theme: Chicago's affluent, liberal lakefront residential areas, once largely scorned by machine politicians as powerless and effete, have become the crucial battleground in the

Democratic primary election for mayor on Tuesday.

The bitter battle pits Harold Washington, Chicago's first black mayor, against former Mayor Jane M. Byrne, Chicago's first woman to become mayor, in what has become one of the most confused political scenes in recent memory here.

For nearly 50 years, victory in Chicago's winter Democratic primary was tantamount to victory in the ensuing April general election because of the strength of the old political machine. But this time the survivor of the multimillion-dollar primary struggle will win only the right to spend the next six weeks in another campaign against an array of candidates, most of them Democrats in third-party clothing.

The contestants in the April 7 general election also include Thomas C. Hyatt, the Cook County assessor, a Democrat running under the Chicago First Party banner; Edward R. Vrdolyak, who remains



Former Mayor Jane M. Byrne: a bet on lakefront vote. Polls show large numbers there undecided.

Mayor Harold Washington of Chicago: in bitter battle. He is counting on rallies to turn out supporters.



didate in the Democratic primary. The political importance this year of Chicago's lakefront areas lies in the fractured world of Chicago's political fiefdoms.

Most of the city's wards are part of some faction whose political prince can more or less deliver its Democratic votes according to the ally of the moment. But the lakefront, with its well-deserved reputation for unpredictable independence, offers the most opportunity for gains.

This political independence is especially strong in primary elections when, according to Illinois law, voters can declare their party affiliation anew every election day, making it easy for Republicans or independents to cross over.

Mrs. Byrne, who won her own insurgent victory in a primary in 1979, is counting heavily on the lakefront, where she prevailed in the three-way primary that she lost four years ago to Mr. Washington.

Post-election polls then showed many voters made up their minds at the last moment.

This campaign's public polls have given Mr. Washington a consistent lead, prompting fears of complacency in his camp. Mrs. Byrne says her private polls have the race neck-and-neck.

All the polls, however, have shown an unusually large number of undecided voters, some as high as 20 percent, on the lakefront.

This could be revealing of another phenomenon in Chicago, a city long run tightly by a political machine that had many ways to make opponents pay for their opposition. In the past, many Chicago voters have been reluctant to reveal their true political inclination to anyone.

Mr. Washington, who is trying to become the first incumbent mayor to win reelection here since Richard J. Daley's death 11 years ago, is concentrating on larger political

rallies in the campaign's waning days, seeking to stoke his workers' enthusiasm and assure a massive turnout of his virtually monolithic support in the city's black community.

Most published polls show him winning at least 96 percent of the black vote, which is now about 40 percent of the 1.5 million registered voters.

He has emphasized his reform work, drawing women and Hispanics into government, and claims a fiscal integrity, a popular point on the lakefront.

Mrs. Byrne has hit hard on rising crime rates, an issue that seems to cut across ward boundaries, and charges that Mr. Washington's term and tactics have divided this city of three million along racial lines.

Mrs. Byrne has vowed to support the winner of the Democratic primary if she loses. Mr. Washington has not.

## Antibiotics in Livestock Said to Harm Humans

By Irvin Molotsky  
New York Times Service

**WASHINGTON**—Scientists from the federal Centers for Disease Control have come up with new evidence linking antibiotics in animal feed with illness in humans.

Antibiotics are fed to most livestock in the United States to fend off disease and promote growth. But in recent years scientists have contended that strains of salmonella bacteria that are resistant to the drugs can flourish inside the animals as competing organisms are killed off.

The resistant salmonella can then cause severe intestinal ailments in people who eat contaminated meat. Treatment is difficult because the antibiotics ordinarily used in treatment are ineffective, the scientists say.

According to a draft of the study, to be published in The New England Journal of Medicine on March 5, the findings demonstrated "conclusively" that salmonella was spread to humans in this way. "These studies show that food animals are a major source of antimicrobial-resistant salmonella infections in humans," the report said.

The study is expected to have a significant impact on the debate over the use of antibiotics in animal feed both because it is to appear in one of the country's leading medical journals and because it will put the weight of the government's top epidemiologists behind the contention that giving antibiotics to animals can harm humans.

The report, by a research team headed by Dr. John S. Spika, has been awaited in Congress, where bills barring the routine feeding of antibiotics to animals are to be introduced. It is also of great inter-

est to the Food and Drug Administration, which once tried to ban such antibiotics use, and to the food and chemical industries, for which the use of antibiotics has enormous economic significance.

Antibiotics permit animals to make more efficient use of their feed, thus improving growth, and also protect livestock against the rapid spread of disease in the close quarters prevalent in modern animal raising.

Among the antibiotics most frequently used in animal feed are penicillin and tetracycline, which are also prescribed frequently for human illnesses. But these medicines are ineffective against diseases caused by resistant strains of bacteria that develop in animals fed with the drugs.

The federal study said in its conclusion that cooking, especially the light cooking of beef, does not kill all the salmonella organisms.

"The problem is complex and no one solution is apparent," the study said. "Efforts must be taken to minimize the contamination of meat and other food items by resistant salmonella."

One congressional aide said that the significance of the report was in its careful tracing of salmonella from farms to sick people, a process that ruled out the possibility that the food was contaminated in processing and transporting.

The report, for example, cites an outbreak of salmonella in May 1985 in Los Angeles, saying, "We epidemiologically and microbiologically incriminated hamburgers as the vehicle of transmission and traced the strain back to the dairy farms of origin, identifying a major, persisting reservoir for drug-resistant salmonella in California."

## Japanese Are Changing Face of the Middle West

The Middle West is getting not only Japanese-owned factories, but Japanese executives to go with them. And with the executives come their families. The New York Times reports that thousands of Japanese, most of them on two-year tours, are settling in hamlets to avoid big-city crime, scattering to avoid appearing clammy and marching in local parades or contributing to charity drives to win over the curious and the skeptical.

About 15,000 Japanese nationals are temporarily in the Middle West, nearly twice the number of a decade ago, according to the Japanese Consulate in Chicago. Many more are expected as construction begins on a Fuji-Isozu automobile plant in Lafayette, Indiana, and as Japanese makers of automobile components set up offices near existing auto plants.

Daily nonstop flights between Detroit and Tokyo will begin in May. A monthly Japanese newspaper, Japan Detroit Press, started there in April 1986.

The Japanese are aware that Vincent Chin, a Chinese-American, was beaten to death in Detroit five years ago by two laid-off auto workers who said they thought that he was Japanese. The newcomers seldom venture into the city, preferring the relative safety of small towns and suburbs.

"We're getting more and more Japanese products," said Toni Golden, a clerk at a supermarket near the new Mazda automobile plant southwest of Detroit. "We got the chopsticks, we got the rice, we got the soy sauce. I think it's very exciting."

## AMERICAN TOPICS

### Notes About People

Vernon E. Walters, the chief U.S. delegate at the United Nations, has his own system for establishing contact with representatives of hostile countries on neutral territory, like UN cocktail parties: "I nod to them twice. When they don't nod back, I give up."

Lieutenant General James A. Abrahamson, director of the Strategic Defense Initiative Organization, is said to be vexed with one of its contractors. The Washington Post says Martin Marietta gave the name R2P2 to a new Denver installation for space tracking. The name resembles the R2D2 robot character in the film "Star Wars," which SDI does not like being compared to. A Martin Marietta spokesman, citing the fondness of engineers for abbreviation, said the formal name is "Rapid Retargeting Precision Pointing," which yields R-squared, P-squared, or R2P2.

The playwright Arthur Miller told The New York Times that "to be an actor or an actress is to be in a very vulnerable position" and that his second wife, Marilyn Monroe, "was just the most pathetic and the most known" of acting's victims. He said that when she died at 36 in 1962 of an overdose of sleeping pills, well after they were divorced, "I can't say I was absolutely surprised, but I was horrified. I knew she had been playing Russian roulette all her life. There was no way I could help her. It's a failing in me, no doubt, but it's also a failing in every other human being she ever came in contact with. That's what tragedy is and that's why it is so unacceptable."

### Short Takes

The United Way, combining several charity drives, went in for shock effect last fall in Burlington, Vermont. A series of posters depicted such scenes as a battered child, boy emerging from a house window with goods he had stolen and a pale, elderly man sitting alone in a kitchen, eating dog food. "The bad news," said David Demers, the drive's executive director, "is that we did not make our goal. The good news is that we raised 5.7 percent more than the year before." The goal was \$3 million; the drive raised \$2,885,000.

Horseback patrol is a much-prized assignment for 145 of New York City's 25,000 police officers. They take a five-to-eight-week course in horsemanship, crime prevention on horseback, crowd control and public relations. "We learn to jump, too," said Officer Thomas Dinkelacker. "A garbage can could roll into the street, and you'd have to go over it." Why do the mounted police always have plenty of volunteers? For one thing, members of the unit say, they like horses. For another, as Officer Kenneth Haas said, "People like you for a change."

The Washington bureau of The New York Times reports that a disheveled man with his hand out on a street corner of the capital stared at the dime a passer-by had given him, then turned to an equally disheveled companion to remark, "Man, we got to find some new way to panhandle."

—ARTHUR HIGBEE

## Nunn Bars Presidential Bid, for Now

By New York Times Service

**ATLANTA**—Senator Sam Nunn of Georgia has decided to remove himself from the race for the Democratic presidential nomination, but he refused to rule out the possibility of changing his mind later.

"I'm going to keep my options completely open," said Mr. Nunn, a Democrat who is chairman of the Senate Armed Services Committee, in a speech Friday.

He has been under heavy pressure from centrist and conservative Democrats to seek the nomination.

He said: "I know that if I tried to take on a presidential race in the next six months and also to perform my duties in the Senate, I would wind up doing neither job well."

**Swedish Party Names Leader**

**STOCKHOLM**—Sweden's opposition Center Party chose Olof Johansson, 49, as its new leader on Saturday.

## Greece Protests Cyprus Remarks By Weinberger

By New York Times Service

**ATHENS**—Greece says it has postponed a visit to Washington by its defense minister and protested a recent statement by the U.S. secretary of defense, Casper W. Weinberger, that it viewed as supporting Turkish interests over its own in Cyprus.

Mr. Weinberger said Thursday in testimony before the House Foreign Affairs Committee that U.S. military aid to Turkey was intended for defensive purposes only but that Congress had permitted Turkey to station U.S.-supplied arms on Cyprus since 1978, when it repealed a 1974 law blocking aid to Turkey.

A statement by Prime Minister Andreas Papandreu, issued Saturday, said that Mr. Weinberger "provokes disgust among the Greek people."

A government spokesman added that Mr. Weinberger's remarks had been "interpreted by the Greek government as tantamount to approval of the Turkish invasion and occupation of Cyprus."

In Washington, a Pentagon spokeswoman said she had no comment on the postponement of the visit by the Greek defense minister, Yannis Charalambopoulos.

The visit had been scheduled for March 9.



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## Canada Tightens Rules On Entry of Refugees

By Kenneth Freed  
Los Angeles Times Service

**TORONTO**—Canada has issued strict rules ending a program of automatic admission to foreigners claiming political refugee status.

Immigration Minister Benoit Bouchard, announcing the restrictions Friday at a press conference in Ottawa, said that a sudden surge of refugees, mostly from Central and South America, was threatening to overwhelm Canada's social services.

He said that "we want a positive immigration program that permits the orderly entry of immigrants, but we cannot maintain such a program if we allow abuse of our refugee program to continue."

The Canadian government has in the past lectured other countries for their restrictive immigration policies. However, partly due to its self-made image as a haven for the persecuted and as a reaction to U.S. restrictions on immigrants, Canada has experienced a large increase in the number of people

claiming refugee status on the ground that they would be endangered if forced to return home.

According to the Immigration Ministry, 6,120 people sought emergency refugee status in Canada between Jan. 1 and Feb. 15. Another 3,000 sought entry in December.

Last year, 18,282 refugees sought emergency entry. If this year's trend had continued, Canada would have received 48,560 refugee requests, more than the total for the entire period from 1980 to 1986.

The new rules eliminate the automatic entry of people from 18 so-called B-1 countries—those nations where, in Canada's judgment, civil strife or political or religious persecution could endanger the lives of refugees if they returned. The restrictions went into effect immediately.

The list includes El Salvador, Guatemala, Chile, Sri Lanka, most East European nations and other Communist countries.

Salvadorans recently have topped the list of refugees entering Canada, with 2,294 seeking political asylum in the first six weeks of this year. The high total has been attributed to Salvadoran refugees' fears that they would be deported to El Salvador under new and tighter U.S. immigration laws.

Chileans were the next most numerous, with 1,010, followed by 600 Guatemalans. Other sizable refugee groups were Tamils from Sri Lanka and Iranians.

Government officials said that Mr. Bouchard's views on the refugee problem were based on estimates that 75 percent of the claims for refugee status made last year in Canada were bogus and that the same rate was holding so far this year.

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# South Korea Parties On Collision Course

## Political Crisis Appears Inevitable Amid Deadlock Over Constitution

By Clyde Haberman  
*New York Times Service*  
SEOUL — Many South Koreans are losing hope that their country can avert a political crisis in its search for a new way to select its national leader.  
Politicians, business executives and intellectuals express growing pessimism about a prolonged deadlock in which the ruling and opposition parties have offered rival plans for constitutional change that each side says would create a more democratic government.  
"There is no way out of this dilemma," a university political science professor said. "On both sides there is a basic lack of trust."  
A measure of urgency was added

when Gaston J. Sigur Jr., a U.S. assistant secretary of state for East Asian and Pacific affairs, sounded more critical notes. By redirection, Mr. Sigur questioned the present government's legitimacy, and, more bluntly, he called on the military to get out of politics.  
Despite Washington's concern, however, political analysts doubt that the Reagan administration can do much to bring the opposing sides together.  
The issue at stake is crucial. How it is resolved will determine who governs after Mr. Chun steps down, as he has promised to do next year. No South Korean leader has ever given up power voluntarily, and many people here still wonder if he intends to retain behind-the-scenes control.  
His ruling party proposes abandoning the present system, based on indirect election of a president by a large electoral college, and replacing it with a cabinet system led by a prime minister. The opposition New Korea Democratic Party, which is fragmented over strategy, wants a president who is elected in a direct popular vote.  
Each camp offers reasons why its idea is the more democratic one. At heart, though, neither side believes it can win under the other's plan.  
The main opposition leader, Kim Young Sam and Kim Dae Jung, last week urged a referendum to let voters choose which of the proposed systems they preferred, but the Democratic Justice Party said it would not do so.  
But Hyun Hong Choo, a leading member of the ruling party in the National Assembly, said Friday that there would be room for flexibility if the opposition ended its boycott of negotiations on the constitutional issue. His side might even be prepared to discuss modifications in its proposal, Mr. Hyun said.  
While that offered a glimmer of hope, other politicians and independent analysts remained strongly doubtful. Some also warned of trouble should the ruling party carry out its threat to adopt constitutional change on its own, with the required help of a few dozen compliant lawmakers from the opposition. That would create a perception that the government had "rammed through" its plan, they said, and would discredit the election process.  
"Both sides have smacked together before on a collision course," a diplomat said. "It's hard to believe they won't do it again this time."

**NEWS ANALYSIS**  
Thursday when the governing Democratic Justice Party warned that, unless there were compromise within the next two months, it would take steps to push its own proposal through the National Assembly. Such an action would almost certainly lead to protests. It might even persuade the opposition to take to the streets, setting the stage for possible violent confrontations with combat police squads.  
As it is, South Korea faces an uncertain future with college students returning in a few days to politically charged campuses after a long recess.  
Spring demonstrations, always a threat in a country with little official tolerance for any form of perceived instability, are expected to be more severe than normal. It will be the first opportunity for mass rallies to protest the recent death of a student during police torture.  
Some analysts caution that there is still ample time for a negotiated settlement and that brinkmanship is part of the process.  
Nevertheless, concern about South Korea's political impasse and its potential for crisis has prompted the United States to adopt a more aggressive approach in prodding the rival camps toward a consensus. Statements by American officials rebuking both sides for a lack of progress have been received coolly by the authoritarian government of President Chun Doo Hwan.  
Last May, the U.S. secretary of state, George P. Shultz, visited Seoul and said that the Chun government was "moving impressively in the right direction."  
A public retreat from that warm praise was signaled this month



FIRST SNOWBALL — A resident of the United Arab Emirates holding a handful of snow after the first snowfall recorded in the country hit Abu Dhabi's al-Ain resort area.

# Gandhi and Zia, in New Delhi, Voice Satisfaction Over Border Situation

By Steven R. Weisman  
*New York Times Service*

NEW DELHI — President Mohammad Zia ul-Haq of Pakistan and Prime Minister Rajiv Gandhi of India had dinner together this weekend and expressed satisfaction at the way that they had defused a crisis over troop buildups on their border last month.  
Officials said Saturday evening that an Indian delegation would go to Pakistan this week to discuss the second phase of troop withdrawals. The first withdrawal, of a total of 150,000 troops, was completed last week.  
General Zia's visit, his fourth meeting with Mr. Gandhi since the Indian leader took office in late 1984, occurred in a low-key atmosphere, reflecting the fact that the principal purpose for General Zia's trip was to attend a cricket match between the two countries. Commentators have been referring to the meetings over the weekend as "cricket diplomacy."  
Mr. Gandhi greeted the Pakistani leader at the airport, but there were no ceremonies, because it was not considered a state visit. The two leaders drove to India's Presi-

dential Palace, where Mr. Zia had a one-hour meeting with the Indian president, Zail Singh.  
Afterward, Mr. Gandhi and General Zia had an informal dinner with aides. The Pakistani president was to leave Sunday for Jaipur, in the Rajasthan desert, to attend the cricket match between India and Pakistan. He was to return to Pakistan on Monday.  
Accompanying General Zia were many top Pakistani politicians and cricket fans and officials. General Zia's sudden interest in attending the cricket match last month, announced as both India and Pakistan were building up troops at the border, led to negotiations over withdrawing the forces.  
At the time, both countries were accusing each other of provoking the crisis. Each side pledged not to start hostilities, but this did little to diminish fears of war.  
The withdrawal of troops earlier this month leaves more than 170,000 troops along the border.  
The final withdrawal is not expected to occur until after India completes some war games in the Rajasthan desert at the end of March.  
India said that its foreign secretary, Alfred S. Gonsalves, who helped negotiate the earlier troop withdrawal, will go to Pakistan this week to negotiate the timetable for the remaining withdrawals.

Beijing says Indian State Includes Part of China  
The Chinese Foreign Ministry said Sunday that it would not recognize the new Indian state of Arunachal Pradesh, saying it includes Chinese territory.  
China maintains that its frontier with India has never been formally traced. Arunachal Pradesh, which also borders on Bhutan and Burma, was declared a state on Friday along with Mizoram, abutting Bangladesh and Burma and until last week the scene of a 20-year secessionist campaign.

# Kennedy Says U.S. Aid Is Misused By Liberia

By Kendall J. Wills  
*New York Times Service*  
NEW YORK — An audit by the General Accounting Office says millions of dollars of U.S. aid to Liberia have been diverted to government officials in the last six years, according to a summary of the report made public on Saturday by Senator Edward M. Kennedy, Democrat of Massachusetts.  
Mr. Kennedy said he would work to cut off all U.S. economic and military assistance — about \$38 million for the 1987 fiscal year — to the government of Major General Samuel K. Doe.  
Among the audit findings was that \$16.5 million of commodity assistance support had not been accounted for since 1984. It also found regular unauthorized withdrawals of funds provided by Public Law 480, a food assistance program, totaling \$1.7 million in 1986, and diversion of \$12 million in economic support funds that was earmarked for development ministries but was used to purchase offshore oil.  
He said aid should be suspended until economic changes were made and until "free and fair" presidential elections were held in Liberia.  
General Doe led a revolution of sergeants in 1980 that overthrew the elected government of President William R. Tolbert, who was killed along with 13 other government officials. General Doe was elected president in October in an election that opponents said was fraudulent. The former Liberian Army master sergeant was sworn in as president of a civilian government on Jan. 5.  
"It is clear that General Doe has used his position to enrich himself and his associates at the expense of the American taxpayer," Mr. Kennedy said in a statement.  
Mr. Kennedy requested the audit in June after receiving reports of Liberian government corruption.  
J. Emmanuel Bowler, spokesman for the Liberian Embassy in Washington, reacted sharply to Mr. Kennedy's remarks and the report, which he said he had not seen.  
"I doubt whether it is a true report or that it can be proved," Mr. Bowler said. "We in Liberia are tired of these threats. The U.S. cannot dictate what our priorities should be."

# Reagan Is Urged to Seek Access to Base in Zaire

By David B. Ortaway  
*Washington Post Service*  
WASHINGTON — The Defense Department is pressing the Reagan administration to negotiate a formal access agreement with Zaire so the United States can begin turning a run-down air base in the southern province of Shaba into a major U.S. facility for central and southern Africa.  
Pentagon officials, outlining project details for the first time, also disclosed that the U.S. military has used the big base at Kamina in conducting unpublicized joint exercises with Zairian troops for several years.  
The exercises involved fewer than 200 U.S. special forces troops and elements of Zaire's French-trained airborne division, officials said.  
"We have had a couple of small-scale exercises with Zaire, and we would expect to continue," an official said.  
The Central Intelligence Agency has also used the base to ship military aid, including sophisticated Stinger anti-aircraft missiles, to rebels fighting the Marxist government in Angola.  
Administration officials said that interagency discussions have been under way for some time and that a decision on whether to begin negotiating for an access agreement must be made within three months. That would permit use of \$2 million tentatively set aside by the Pentagon for the project this fiscal year.  
The State Department is said to be considerably less supportive of the project because of concern that the administration will make a commitment to President Mobutu Sese Seko of Zaire that it cannot fulfill because of budgetary constraints.  
The State Department also has expressed concern that an access agreement would give too high a profile to close military and security ties between the United States and Zaire, according to administration sources.  
Mr. Mobutu is reported to be seeking a large U.S. financial commitment to the Kamina base. His attitude about a formal access accord is not known.  
The base was built by Belgium in the mid-1950s.

# U.S., Britain Veto Sanctions On South Africa in UN Vote

By Eric Pace  
*New York Times Service*  
UNITED NATIONS, New York — The United States and Britain have vetoed a Security Council resolution that would have imposed mandatory sanctions on South Africa like those approved last year by the Congress over President Ronald Reagan's veto.  
Ten countries voted in favor of the resolution Friday. West Germany, which is not a permanent member and lacks veto power on the council, also voted against the measure. France, a permanent member, abstained, as did Japan.  
Diplomats here noted that the vote put the U.S. government in the position of vetoing a measure that strongly resembles one approved by its own national legislature.  
The resolution was proposed by Argentina, Congo, Ghana, the United Arab Emirates and Zambia.  
Voting for the resolution, in addition to the five sponsors, were Bulgaria, China, Italy, the Soviet Union and Venezuela.  
Analysts said some advocates of the Security Council resolution wanted it to highlight the divergence of views on the sanctions issue between the Congress and the Reagan administration.  
Like the sanctions approved by Congress, the Security Council measure would have banned the import of South African gold coins, military equipment and some food and mineral items; suspended landing rights for South African aircraft; and barred most investment in South Africa.  
It also would have banned the sale of computers and nuclear technology to South Africa.  
During the debate here, the United States said the sanctions "would fail to bring an end to apartheid in a peaceful manner."  
Herbert S. Okun, the acting U.S. representative, added that mandatory sanctions would "make it difficult if not impossible to achieve internal reconciliation and regional economic development."  
But he harshly criticized apartheid.

# Opium Warlord Is Put on Defensive

## Burmese and Thais Reportedly Launch Separate Attacks

By Barbara Crossette  
*New York Times Service*  
CHIANGMAI, Thailand — An opium warlord whose narcotics trafficking supports an armed rebellion against Burma is reported to be under separate military attacks from Burmese and Thai forces.  
The 54-year-old warlord, known as Khun Sa, outraged officials in both countries in January by holding a news conference in rebel-held territory in Burma where he boasted to reporters about a bumper opium crop.  
Khun Sa's power and his personal wealth have continued to grow, assisted by inaccessible terrain, lax border surveillance and a large network of corruption surrounding the heroin trade in Thailand.  
Both Thailand and Burma have recently begun new efforts to curtail opium production in the Golden Triangle, an area where Laos, Thailand and Burma meet. But despite spraying in Burma and the burning of poppy fields by Thai troops, this year's regional opium crop may reach a record 900 tons, narcotics experts say. Most of it will come from Burma.  
The military operations began this week on both sides of the Thai-Burmese border do not appear to be coordinated, according to diplo-

mats and Thai officials. Thai troops are concerned primarily with keeping Khun Sa's army out of Thailand should the Burmese force his soldiers toward the border.  
Burma's army is reported to be taking advantage of the annual dry season to strike at the heart of Khun Sa's military operation, a mountain camp called Doi Lang, which is west of the northern Thai town of Chiangrai.  
[A Burmese attack Saturday against a large Karen ethnic minority rebel stronghold near the Thai border has driven about 1,000 Karen civilians into Thailand, Thai police said Sunday, according to a Reuters report from Bangkok.  
[The police said that Burmese troops shelled Klerky, a Karen base about six miles (10 kilometers) inside Burma, with mortars through most of Saturday. They also said that Khun Sa's guerrillas released four Thai soldiers who had been taken hostage Thursday in Chiangrai Province.]  
Burmese officials are stepping up the spraying of opium fields, according to the ethnic Shans who inhabit the area. Many of the Shans do not accept Rangoon's authority, despite more than 40 years of Burmese independence. Shans are related to the Thai people, who also

originated in southern China. Many Shans have settled in Thailand.  
The Burmese crop eradication program uses an American-supplied herbicide, dichlorophenylacetic acid, or 2-4-D. The herbicide was a component of Agent Orange, which the United States used during the Vietnam War.  
In the Shan area, the spraying not only destroys the opium but also weakens the Shan economy generally and, Rangoon hopes, the rebellion it supports. Shans say they have suffered physical damage, that food crops and animals have been hurt and that villages have been made unlivable by contamination.  
Western chemical-warfare experts based in Thailand say that while they have not tested Shans who say they have been injured by the herbicide, they do not believe that 2-4-D could be the cause of animal or human fatalities or illnesses. They acknowledge that food crops such as cabbages or other broad-leaf greens could be destroyed.  
Military, most diplomats believe, Rangoon's forces have little chance of defeating Khun Sa. His mountain strongholds, at Doi Lang and elsewhere along the sparsely populated frontier from Mae Hong Son north to the Laotian border, are heavily fortified and in almost impassable terrain.  
But diplomats and regional officials who have followed the fortunes of more than a half-dozen ethnic rebellions and a Communist insurgency in Burma say that the government of Ne Win, the Burmese general who has ruled the country for nearly a quarter of a century, has begun to make real progress in pushing back ethnic armies after decades of stalemate.  
Refugees from Karen and Shan areas reaching Thailand report an increased Burmese military presence along the Thai-Burmese border.  
In northeastern Burma, along the Chinese border, Ne Win has also apparently scored some significant victories against Burmese Communist Party strongholds.

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Jerez (Sherry). The varieties "Fino", "Oloroso", "Amontillado", "Manzanilla" and "Palo Cortado" are ideal for the aperitive.

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Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277. Prices may vary according to market conditions and other factors.

Dollar Straights

Table listing bond prices for various countries including Australia, Canada, and the US.

Canada

Table listing Canadian bond prices.

France

Table listing French bond prices.

Japan

Table listing Japanese bond prices.

Western Europe (Other)

Table listing Western European bond prices.

Non-European

Table listing Non-European bond prices.

DM Straights

Table listing DM Straights bond prices.

DM Zero Coupons

Table listing DM Zero Coupons bond prices.

American Exchange Options

Table listing American Exchange Options with columns for Call/Put, Strike, and Price.

Chicago Exchange Options

Table listing Chicago Exchange Options with columns for Call/Put, Strike, and Price.

Supranational

Table listing Supranational bond prices.

United Kingdom

Table listing United Kingdom bond prices.

United States

Table listing United States bond prices.

United States

Table listing United States bond prices.

United States

Table listing United States bond prices.

United States

Table listing United States bond prices.

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WestLB advertisement text including contact information for Düsseldorf, London, Luxembourg, and Hong Kong.

Large vertical advertisement on the right side of the page, partially obscured and containing various text and graphics.



New International Bond Issues

Compiled by Laurence Desvillettes

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Warrants.

T-Bonds Dip As Dealers U.S. Urges Seoul to Allow 2 Plants Wait Out the Weekend

New York Times Service NEW YORK — Prices of Treasury notes and bonds declined moderately Friday as participants moved to the sidelines to await the impact of a moratorium on Brazilian debt, a rate cut in Japan and the Group of Five meeting.

Agency France-Press SEUL — Washington has urged authorities here to allow two U.S. companies to proceed with plans to set up chemical plants in South Korea despite charges that the plants may cause pollution, a company official said.

The U.S. Environmental Protection Agency has sent a letter to the South Korean authorities supporting the contention by Du Pont Co. and Kerr-McGee Corp. that the titanium dioxide plants would not cause a pollution problem, a senior official of Du Pont said Saturday.

Pan Am Says It May Sell Off Unprofitable Shuttle Service

New York Times Service NEW YORK — Pan American World Airways Inc., which started a shuttle service in Washington-New York-Boston corridor just five months ago, has told its employees that it may sell the service unless it can make a profit.

Du Pont and Kerr-McGee applied to the Finance Ministry a year ago to build the plants on the southern coast, but the applications were refused. The Du Pont official attributed the refusal to a "misconception" that the plants would cause pollution.

South Korean newspapers have charged that the two chemical multinationals were attempting to export a "pollution industry" with no regard for the safety of South Korean citizens.

Plans by Du Pont Far East Inc., a subsidiary of the U.S. company, to build a titanium dioxide plant in Taiwan were indefinitely postponed by authorities there last year following months of public pressure.

Du Pont has proposed to hold a seminar for government officials and chemical experts and to send an observer delegation to the United States to support its case, the official said. He said these efforts had produced no results.

Titanium dioxide is a chemical whitener used in products that include paints, plastics and toothpaste. Metal-chloride waste, produced in its manufacture, is usually dispersed at sea.

Taiwan Airline Profit Taiwan — China Airlines, Taiwan's flag carrier, said it made a profit of about \$17 million on revenue of \$666 million in calendar 1986, the first profit after six consecutive years of losses.

U.S. CREDIT MARKETS

That was 1 basis point, or one-hundredth of a percentage point, below that of a week ago.

The key long-term note, the 7.25 percent issue of 1996, also fell 7/32, to 100 2/32, and now yields 7.23 percent.

Maria F. Ramirez, a managing director and money market specialist, said, "I don't see a moratorium on interest payments by Brazil could be followed by the Philippines and several other countries that are financially hard-pressed."

"But, as far as our credit market is concerned," she said, "Brazil's action could diminish the likelihood of any tightening by the Fed or other changes in its policy for the foreseeable future."

But some analysts, noting that the "bid spread" had widened, reacted that the market had already reacted to the Brazilian development. The bid spread is the differ-

U.S. Consumer Rates

Table with columns: Product, Rate, Source. Includes items like Fresh Fruit, Milk, Eggs, etc.

KIDDER: Mismatch With Its Superstar Siegel May Have Fueled Insider-Trading Abuses

(Continued from first finance page)

1986, that was up to \$2.5 billion. The firm also made information that the government also charged that Kidder's arbitrage made millions for the firm's own account by using illegal tips that Mr. Siegel fed them.

"There seemed to be a very real expectation that Siegel was about to go down," one Kidder insider said, "but nobody expected that he would try to take Kidder down with him."

Mr. Siegel's accusations could embroil the firm in countless lawsuits. Two of its arbitrageurs, Timothy L. Tabor, who left the firm last year, and Richard B. Wigton, are facing criminal charges. Both men say they plan to fight the charges.

One key question is likely to be whether Kidder did a proper job of preventing its investment bankers from leaking confidential information to its traders.

Investigators are likely to examine whether Mr. Siegel and other Kidder investment banking executives were too deeply involved in the firm's arbitrage operation, which traded in takeover stocks.

Mr. Siegel and another Kidder executive, Max C. Chapman Jr., studied whether to move the firm into arbitrage trading in 1979, a company spokesman said. At that time, Kidder decided not to create a formal arbitrage department, the spokesman said.

Later, according to the government, Mr. Siegel would periodically advise the firm's arbitrageurs about stock positions based on inside tips he obtained from a source at Goldman, Sachs & Co.

Mr. Siegel was held in awe throughout the firm, and Kidder sources say that although he had no formal role in the arbitrage operation, his frequent suggestions on takeover stocks were almost always followed.

Kidder's spokesman said the firm had a strict policy that prevented investment bankers from talking about their own deals. However, he said, "People in the mergers and acquisitions department are going to talk to people in the trading department."

To those who know Kidder best, there was a painful familiarity about the damage that might be done to the firm's hopes because of the Siegel case. During the long tenure of the firm's all-powerful chairman, Ralph D. DeNunzio, who took power in the late 1970s, Kidder had not seemed able to sustain momentum in climbing the investment banking ranks, critics say.

Although he is an aggressive manager, Mr. DeNunzio tends to be interested in the details of running the firm, not in or long-term strategy.

By about 1980, many insiders felt that Kidder had to choose between two courses. It could either remain a powerful niche firm or try to move into the top rank, as Drexel Burnham Lambert did in

the early 1980s with its strong drive into junk-bond financing.

Kidder was an old-line firm that traced its roots back to genteel Boston investment circles in the 1820s, and it lacked the style of some of its bigger competitors.

It always had less capital than other investment banks. From 1979 to 1985, for example, it increased its capital from \$92.4 million to \$391.9 million. But Kidder ranked 15th both years.

Kidder could have survived in the short term, many insiders believed; it enjoyed a healthy 20 percent return on its equity. But many insiders felt it would not find a place in the future unless it undertook a major expansion.

Mr. DeNunzio would not make a decision. He opposed going public, however, and he rebuffed corporate suitors that expressed interest in acquiring Kidder. The result was confusion.

"We'd have management meetings and it would be like a split personality," said one former partner. "Half the group wanted to be junk-bond kings and the other half

wanted to be white-shoe bankers."

Mr. Siegel and others believed the only choice was to try to boost revenues to increase the firm's financial base. Some of the firm's

"We'd have meetings and it would be like a split personality. Half the group wanted to be junk-bond kings and the other half wanted to be white-shoe bankers."

Former partner at Kidder, Peabody

man, who had led the firm into highly complex, lucrative trading in financial futures, and Michael Hernandez, who headed the successful municipal finance division. But Mr. DeNunzio had been known to change his mind.

Some in the office believed he would never allow anyone to move into power as long as he was around.

Last year, Mr. Siegel left to join Drexel Burnham and Mr. Hernandez went to First Boston. Mr. Chapman, a tough former Univer-

sity of North Carolina football player, was named Kidder's president last fall.

Although Mr. Siegel never headed the merger department at Kidder, he would sometimes have as many as fifty young corporate finance associates researching companies and analyzing deals for him.

He put together what was essentially a sales pitch for boards of directors and he took it on the road. He would speak, sometimes for hours, about the risks of hostile tender offers, which were just coming into favor as a tool to take control of public companies.

"It was a tremendous show," said one of the people who worked with him at the time. "Implicitly, it told the CEO: 'You worked your whole life to get here, don't lose it.'"

His entrepreneurial style set him apart at Kidder, where he was, a company spokesman was eager to point out last week, "always a little bit of a lone wolf." He was a star at a house that had few stars and he often told people that he thought he deserved more from Kidder.

Seoul to Cut Reserves by Paying Debt

By Carl Gewirtz International Herald Tribune

PARIS — South Korea, under increasing international pressure to reduce its growing international trade surplus and large accumulation of reserves, plans to reduce those reserves by repaying some foreign debt.

The role of the newly industrialized nations in running trades surpluses was criticized by finance

ministers of six leading industrial powers who met in Paris over the weekend.

Without citing any countries by name, a communiqué issued by the six stated that "these economies have achieved strong growth based... on their access to open, growing export markets."

But the statement said that it was important that these countries assume greater responsibility "by reducing trade barriers and pursuing policies that allow their currencies to reflect more fully underlying economic fundamentals."

Both South Korea and Taiwan, the other major newly industrialized nations, peg their currencies to the dollar and those currencies have depreciated along with it.

Meanwhile, South Korea announced that it would prepay a \$650 million loan on March 30. Interest on the eight-year loan, arranged in 1984, is expensive by today's standards — 3/4 point over the London interbank offered rate on most of it, and 20 basis points over the prime rate of U.S. banks on the rest.

In all, the Korean Exchange Bank is expected to prepay around \$1.4 billion in the next few months.

Foreign lenders see a double purpose in the repayments — to reduce reserves and international pressure for a currency revaluation, and to soften up the banks in preparation for renegotiating the terms on the remaining debt. The bulk, around \$35 billion, of South Korea's \$44.5 billion foreign debt is owed to banks and most of that is terms that appear to be too high given the country's financial strength and the lowering of bank charges in other countries.

"South Korea today could raise a new loan at a cost of 1/4 to 3/4 point over Libor for 10 years," a senior loan officer of a U.S. bank said.

In fact, the Koreans are expected to negotiate for a rate of 1/4 point, or 25 basis points, over Libor on existing debt that has eight years or less still to run.

In other credit business, Gibraltar Financial Corp. of the United

States is seeking a \$100 million, three-year credit line. It will pay an annual facility fee of 3 1/4 basis points and drawings on the loan will cost 3 3/4 basis points over Libor. Underwriters taking a commitment of \$12.5 million will be paid a front-end fee of 1 1/2 basis points.

United Paper Mills Ltd. of Finland is seeking a \$100 million, eight-year facility and is asking banks to underwrite only \$30 million of this as a revolving credit.

The facility fee starts at 6 1/4 basis points for the first four years and then rises to 7 1/4 basis points. Drawings on the credit will cost 12 1/2 basis points over Libor.

Pirelli SPA, the diversified Italian tire-maker, increased its note issuance facility to \$100 million from the \$75 million initially indicated. It is paying an annual fee of 5 basis points and drawings will be set at Libor with utilization fees ranging from 5 to 12 1/2 basis points, depending on how much is used.

Amer Group Ltd., the Finnish tobacco, consumer and sporting goods company, raised \$95 million in syndication and opted to increase its credit to only \$50 million from the \$30 million initially indicated. The financial company intends to draw \$30 million, on which it will pay 20 basis points over Libor.

Its own problems: too much paper on offer relative to demand, declining interest rates and a stretching of maturities beyond what the market appears to be willing to accept.

Austria set a 20-year life, the longest this market has yet seen, on its 20 billion yen of 5 percent bonds issued at 102. The lead manager, Daiwa Bank, refused to quote a price on where the bonds were trading.

Both the World Bank's seven-year issue and the six-year issue of SNCF, France's state-owned railroad, ran into stiff resistance thanks to the coupons of 4 1/2 percent, the lowest yet seen. Both were offered at a premium of 10 1/4 and both ended trading 12 1/2 basis points below the total commissions paid to underwriters.

EUROBONDS: Stock Markets, G-5 Steal the Spotlight

(Continued from first finance page)

tradable bank loans. Both Air Canada and the Bank of Turkey issued paper that is only of interest to banks.

Air Canada sold 200 million DM of perpetual bonds. Interest for the first seven years is set at 6 1/2 percent. Thereafter, the coupon will be reset every three years at 1/2-point over the average yield on the three-year refinancings of four land-

bankers. The current seven-year finance cost is 6 percent, leaving underwriters whose fees total 2 1/2 percent earning 85 basis points over the domestic cost of money for the first coupon period.

government assurance that if stock is ever sold to the public, the government would always remain a majority owner of the airline.

A notable aspect of the terms, the lead manager Credit Suisse First Boston said, is that the base for the coupon refunding is a capital market rate rather than a money-market rate. Normally, money-market rates should be lower than capital-market rates, but on rare occasions the order can be inverted. By linking a capital-market instrument to a capital-market rate, Air Canada reduces the risk that lenders' financing costs could outstrip their income.

The Euroyen market, in addition to suffering from the general lack of investor demand for bonds, had

Table with columns: Selected U.S./R.T. Quotations, Bid, Ask. Lists companies like Bitter Corp, Chiron, GoodWork Foods, etc.

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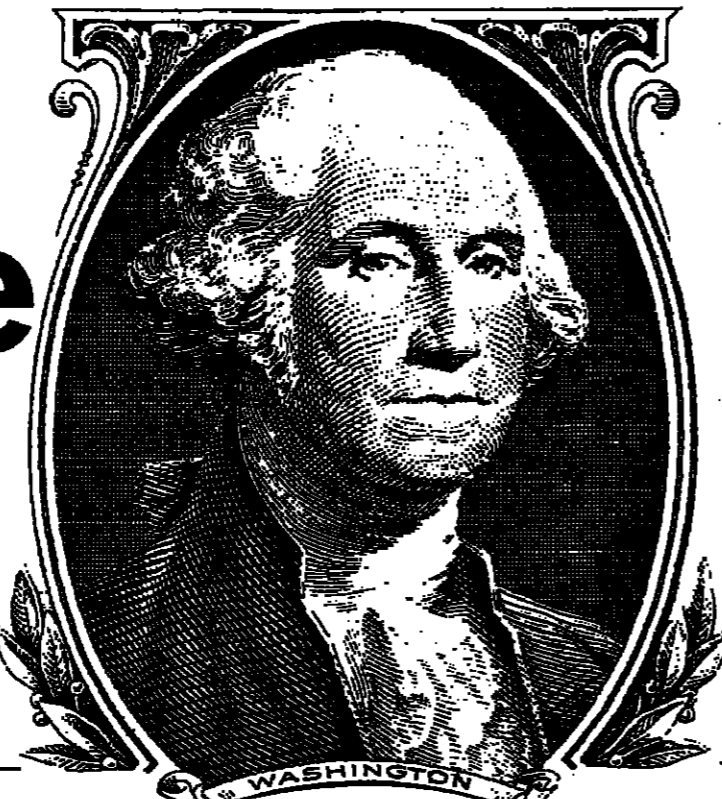
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Is the U.S. dollar up or down? Turn to Currency Rates, a daily listing in the Business/Finance section of the Trib.

**A brief guide to the International Herald Tribune, the global newspaper, for time-pressured readers.**

## Personal Investing

FOR THE INTERNATIONAL INVESTOR

On the second Monday of each month, "Personal Investing" provides an overview of investment opportunities and market conditions worldwide. Edited specifically for the high net-worth individual, this special section provides lively analysis of world investment markets and a wide range of new investment instruments. Each month it presents a fresh and comprehensive report on investment strategies and topics ranging from world stock and bond markets, commodity trading, currencies and real estate to various aspects of personal money management.



WHERE TO PLACE YOUR MONEY

## The Front Page

AN INDEX ON THE WORLD



NEWSPHOTOS, PEOPLE, EVENTS

A perceptive reader once called the IHT "an index on the world" — a phrase that was meant to describe the paper as a whole — but is probably more appropriate to our front page.

Because our audience is so far-flung we don't look at the news through any national or political filter. We strive for a truly international perspective — a global context for our global audience.

We draw on what is probably the world's most prestigious news-gathering network. In addition to our own reporters in key news centers, we have direct access to the reports of all New York Times and Washington Post bureaus around the world. Plus reports from the Los Angeles Times and the major news services: The Associated Press, United Press International, Reuters and Agence France-Presse.

Nearly 3 million words pour into our newsroom computers every day. A team of 40 professional editors selects, processes and condenses those words down to 3% of the original volume. What the editorial team chooses for page one is the most important news from around the world.

## Who, What, Where, When, Why, How?

We try to be "scannable." Look at the first sentence of a Trib news story and you'll probably find the answer to most or all of those six vital questions. Stories are written "pyramid-style," with the most important facts up front, and others added in order of descending importance — to make sure you get the most information in the shortest reading time.



A WIDE SPECTRUM OF VIEWS

What other tenets of good journalism do we subscribe to?

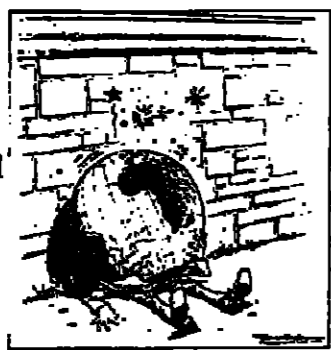
- Fact is strictly separated from opinion. We keep reporting as objective as possible, with judgments attributed to their sources. Opinions are reserved for the editorial pages.
- Accuracy and fairness are paramount. Our editors spend a lot of time painstakingly checking facts and insuring that different viewpoints are represented, so you can be sure that what you read in the Trib is as fair and accurate as possible.

## American and European Topics

REGULAR NEWS FEATURES  
For those who want to keep up with trends in the U.S., "American Topics" appears each Monday, Wednesday and Saturday, usually on page 3. "European Topics" a similar selection of short, topical items on Europe, appears every Friday.

## The Editorial Pages

A FORUM FOR WORLD OPINION  
No, Helmut Schmidt, John Kenneth Galbraith, the Dalai Lama and Javier Perez de Cuellar do not work for the International Herald Tribune.



THE WORLD LOOKS AT THE WORLD

But articles by them — and by dozens of other world opinion leaders — have appeared recently on the Trib's editorial pages.

Carefully separated from the news pages, the editorial pages present a wide range of analysis and opinion from many points of view and from every corner of the world.

On topics of particular international significance, the Trib's own editorial writers express the opinion of the global newspaper. Each day, editorials from The New York Times, The Washington Post and other journals give a sense of how other leading newspapers see the world. Among the widely respected columnists that appear regularly on the editorial page are:

- William Pfaff and Flora Lewis, writing on French and European affairs.
- Giles Merritt, writing from Brussels on the European Economic Community.
- U.S. President-watcher David Broder.
- Jonathan Power on the Third World.
- Cartoonists Oliphant, MacNelly.
- and a number of other columnists, representing a wide variety of viewpoints from George Will and William Safire to James Reston, Anthony Lewis and Tom Wicker.

## Special Reports

TO READ AND TO KEEP  
About 50 times a year, the Trib publishes in-depth reports on countries or topics of particular interest. From the Euromarkets to fashion from Austria to Japan, the reports are of the highest editorial quality. Which is why many readers keep them on file for future reference.

## The Features Page

A CHANGE OF PACE

Most Trib readers find that their interests transcend the boundaries of any single culture. As the only newspaper specifically edited for the global citizen, the IHT reflects this international focus in its coverage of the arts and leisure.



FASHION, ARTS, SCIENCE, CULTURE

Every day of the week, the features page is fresh and different. Hebe Dorsey covers fashion — and the people who make it — on Tuesday.

Wednesday brings "The London Stage," with reviews of British theater.

Every Thursday a special "Science" page covers discoveries in science and medicine.

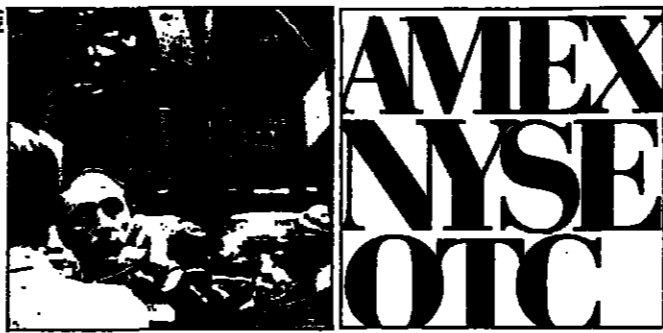
Friday is the day for the sparkling "Travel" and "Weekend" sections. Special travel columns are designed for the frequent traveler, the gourmet and the discerning shopper. And the arts and culture coverage gives Trib readers special insight on trends and personalities worldwide.



TRAVEL, FAR AND WIDE FOR BUSINESS OR PLEASURE  
Saturday's fine arts features are highlighted by Soren Melikian's authoritative coverage of the art markets.

## The Business and Finance Section

The Trib's Business & Finance section is now bigger and better than ever. Whatever the subject may be — a basic resource, a major currency, a new product or regulation — the Trib specializes in spotting important trends and spotlights revealing details. Extensive financial tables include complete daily closing stock prices from the New York Stock Exchange and the American Stock Exchange, plus selected over-the-counter stocks.



FINANCIAL NEWS, ANALYSIS, OVERVIEWS, TRENDS AND LISTINGS

Other daily listings include world currency rates, key money rates, commodity prices, futures and a round-up of world stock markets. Monday brings a special listing of Eurobond prices, plus mutual funds and a useful OTC list.

And every day of the week now features an exclusive column of special interest to the international business community:

**Monday**  
Eurobonds by Carl Gewirtz, one of Europe's most respected Euromarket analysts. Plus, World Stocks in Review, an overview of trading on major world stock markets and a look at likely developments ahead.

**Tuesday**  
International Stock Markets. Investment strategies for the global portfolio. The trends, the probabilities, the "go" signals and the danger signals.

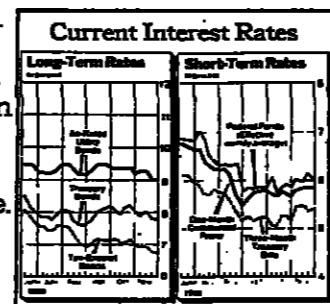
**Wednesday**  
International Manager. Sherry Buchanan searches out creative solutions to far-reaching problems that cross national borders.

**Thursday**  
Wall Street Watch. Interviews with analysts about how they're playing the U.S. markets.

**Friday**  
Technology. The devices, the systems, the scientific breakthroughs that revitalize production and transform services.

**Saturday**  
The Economic Scene. Penetrating analyses of the forces that are constantly reshaping the world economy. Plus Friday's closing prices.

And if you trade throughout the world's many financial markets, you can follow your stocks in our World Stock Markets tables.



GRAPHICS SPEED UNDERSTANDING

## The Classified Ads

How many other dailies do you know with classified sections that offer such headings as "Money Management," "Moving," "Tax-Free Shopping," "Air Couriers" and "Precious Stones"? The Trib's classified ads specifically address the needs of an affluent, mobile, international audience.

In the more common categories, you may want to note the following publication days:

- International Executive Positions each Thursday.
- International Real Estate on Friday.
- International Secretarial Positions each Tuesday.
- Holidays & Travel on Friday.
- International Education on Saturday. (For a copy of all ads that appeared in this section last year, request your complimentary copy of the IHT's International Education Guide.)
- International Business Opportunities, each Wednesday.
- International Art Exhibitions, Auction Sales, Collector's Guide, each Saturday.

## The Comics page

Everyone needs a change of pace — and that's why the Trib's comics page is one of its most popular.

You'll enjoy keeping up with the daily exploits of Charlie Brown and the rest of the Peanuts gang, Garfield, Dennis the Menace and all the others.

But that's not all. Rounding out the page are the daily and Saturday crossword, the book review, bridge column, chess problem and jumble word puzzle. And if you're uncertain what to pack for your next trip, consult the world weather report.



HUMOUR, BOOKS, PUZZLES, WEATHER

## Herald Tribune

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Finland	F.M.	3,200	1,600	950	8	F.M. 4.50	F.M. 44%
France	F.F.	1,400	700	420	7	F.F. 2.85	F.F. 49%
Germany*	D.M.	600	300	170	2.70	D.M. 1.38	D.M. 49%
Gr. Britain	£	120	60	35	0.25	£ 0.23	£ 40%
Greece	Dr.	20,000	11,000	6,000	700	Dr. 58	Dr. 49%
Ireland	Irl.	140	70	42	0.70	Irl. 0.38	Irl. 46%
Italy	Lira	280,000	140,000	80,000	1,800	Lira 900	Lira 47%
Luxembourg	L.F.	10,700	5,350	3,200	30	L.F. 29	L.F. 42%
Netherlands	Fl.	634	317	190	3	Fl. 1.78	Fl. 42%
Norway	N.Kr.	1,650	825	500	8	N.Kr. 4.50	N.Kr. 44%
Portugal	Esc.	19,000	9,500	5,700	125	Esc. 52	Esc. 58%
Spain*	Ptas.	26,500	13,250	8,000	135	Ptas. 73	Ptas. 44%
Sweden*	S.Kr.	1,700	850	500	6	S.Kr. 4.70	S.Kr. 47%
Switzerland	S.F.	490	245	148	2.50	S.F. 1.28	S.F. 46%
Rest of Eur., N. & S. Africa, Middle East	£	400	200	120	Varies by country	£ 0.89	
Rest Africa, Conf. States, Asia	£	500	250	145	Varies by country	\$ 1.51	

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# Italy Quits Talks, Threatens Summit

Compiled by Our Staff From Dispatches  
**ROME** — Italy, protesting that it had been relegated to a rubber-stamp position in the Group of Seven industrial nations, boycotted a Paris meeting of the group on Sunday and threatened to derail the group's planned economic summit meeting in Venice in June.

Treasury Minister Giovanni Goria, on orders from the Socialist prime minister, Bettino Craxi, notified the French finance minister, Edouard Balladur, shortly before the Paris meeting opened that Italy would not attend. Mr. Goria and his aides quickly flew back to Rome.

Mr. Craxi's office later issued a statement that called Mr. Goria's actions "consistent" and demanded a "clarification of the Tokyo accords, without which the pledges that are undertaken during the summits of the major industrialized nations would risk losing significance and credibility."

"In the absence of a clarification, it is obvious that the planned summit in Venice cannot stick to the expected form and terms," the statement said.

The quarrel began Saturday, when the Group of Five — the United States, Japan, West Germany, Britain and France — met to discuss stabilizing currency-exchange rates and coordination of economic policies.

French officials issued a formal statement denying that a G-5 meeting had been held. Instead, they said that the nations had met for bilateral talks.

But Italian officials concluded that a supposedly private dinner attended by G-5 officials was in fact a working dinner, where all important issues to be discussed at

the G-7 meeting had already been settled.

Antonio Baldini, Mr. Craxi's diplomatic adviser, said in Rome that Italy's G-7 partners had seriously violated an agreement reached at the last G-7 summit meeting in Tokyo.

At that meeting, the G-5 nations agreed to bring in Italy and Canada,

**'How can we have a Venice meeting when this weekend's events suggest it will serve no purpose?'**

— Antonio Baldini  
 Italian official

making the G-7, whenever discussions concerned managing the international monetary system.

That agreement was viewed as an important victory for Italy and Canada, particularly Italy, which is about to surpass Britain in the size of its economy. Italy, too, has had a remarkable economic recovery while growth in other Western European nations has stagnated.

Shortly after the meetings ended Saturday night, the new Bank of France governor, Jacques de Larosiere; the Treasury director, Daniel Lebeugue; and Mr. Balladur visited the Italian delegation at its hotel.

But they were unable to convince Mr. Goria and Carlo Ciampi, the Italian central bank governor, that

the Italians had a useful role to play in Sunday's talks.

"We are asking for clarification and if this is not forthcoming there will be no Venice meeting," Mr. Baldini said. The summit meeting is scheduled to be held June 8-10.

Mr. Craxi's aides said they wanted the clarification before the next meeting of the International Monetary Fund in April, and that it should put to rest once and for all Italy's role in the G-7.

"Italy is very disappointed by the behavior of the Five," Mr. Baldini added. "They are clubbing together and clinging to an outdated privilege." He said the decision to hold a G-5 meeting on Saturday was a snub to Italy.

He added: "How can we have a Venice meeting when this weekend's events suggest it will serve no purpose? This has put into doubt the credibility of the five and the industrialized countries' summits."

Sunday's walkout was not completely unexpected. Italian press reports in the past few days, on which official spokesmen in Rome have declined comment, have suggested Rome's disenchantment with the G-7 procedure and said that Mr. Craxi had instructed Mr. Goria to pull out of the G-7 talks if a G-5 meeting took place first.

"If we have the impression that our presence here is superfluous, we will take note that the undertaking of the seven heads of government has not been respected," Mr. Goria told journalists after his arrival in Paris.

Mr. Craxi's five-party coalition faces a confidence vote in early March. The role played by Italy at the weekend meetings was seen as having an impact on the vote.

(Reuters, UPI)



Treasury Minister Giovanni Goria of Italy left his hotel in Paris early on Sunday after Italy decided not to take part in a meeting of the Group of Seven industrialized nations.

# PACT: Ministers, Bankers Agree to Stabilize Currencies

(Continued from Page 1)

central banks might intervene in the currency markets.

Britain's chancellor of the exchequer, Nigel Lawson, called Sunday's meeting the "direct linear descendant of the Plaza meeting."

He was referring to the meeting Sept. 22, 1985, at the Plaza Hotel in New York, where the Group of Five agreed to take coordinated steps, including central bank interventions, to lower the value of the dollar against other major currencies.

"Now," said Mr. Lawson, "we have all agreed that the time has come for a period of stabilization, and we will act accordingly."

But the U.S. Treasury secretary, James A. Baker 3d, said he "was not prepared to call the meeting 'Plaza-2,'" as Mr. Lawson suggested.

"The agreement is simply to force stabilization at current levels," Mr. Baker said.

He added that "the most difficult negotiations were on the stimulative measures to be taken by the trade-surplus countries."

Monetary experts said it was likely that some agreement on "reference ranges," designed to limit currency movements within specific boundaries, was also reached.

"That is the main question," a Chicago-based foreign exchange dealer said.

"Given the philosophy the Federal Reserve has followed over the past few years," he added, "it is very hard to imagine they have agreed to intervene in the currency markets. The meeting really didn't produce much beyond talk."

But a senior West German banker disagreed.

"The central banks wouldn't risk their credibility by not backing up a statement like this," he said. "It would make it very difficult to formulate new strategies. Without target zones, how are they going to maintain stability in the market?"

Besides emphasizing the need for more stable exchange rates, the nations also came to general agreement on the need for further coordination of economic policies.

The statement called for: "Greater cooperation between the industrialized nations and the developing world to solve the problems of debtor nations through a worldwide economic recovery."

Promoting more balanced global growth, with "surplus countries" committing themselves to follow policies designed to strengthen domestic demand and to reduce their external surpluses while maintaining price stability.

"Deficit countries," it said, will seek to encourage steady, low-inflation growth while reducing their domestic imbalances and external deficits.

## Communiqué Highlights

PARIS — Here are highlights of the communiqué issued at the end of Sunday's meeting of six leading industrial nations:

- "Further progress" has been made since the 1986 Tokyo summit to achieve "sustainable, non-inflationary expansion," although unemployment remains unacceptably high in some countries. Changes in exchange rates "will contribute importantly in the period ahead to the restoration of a more sustainable pattern of current accounts."
- Progress was noted in efforts to reduce budget deficits, introduce fundamental tax reforms and make economies more efficient. Privatization of government assets and business deregulation were other important structural reforms that were being carried forward.
- "Reduction of large, unsustainable trade imbalances is a matter of high priority," and achievement of "more balanced global growth" should be a central role in this respect.
- Participants pledged to step up efforts to resist protectionism and reaffirmed their support for the new round of trade negotiations within the General Agreement on Tariffs and Trade.
- Greater cooperation was needed between the industrialized nations and the developing world in efforts to solve the problems of debtor nations through a worldwide economic recovery.
- To promote more balanced global growth, "surplus countries" committed themselves to follow policies designed to strengthen domestic economies while maintaining price stability. "Deficit" countries will seek to encourage steady, low-inflation growth while reducing their domestic imbalances and external deficits.
- "Newly industrialized economies" were now playing an increasingly important role in world trade, but their recent accumulation of trade surplus had contributed importantly to the current problems of global imbalances, thus increasing protectionist pressures. The meeting agreed that these countries "should assume greater responsibility for preserving an open world trading system by reducing trade barriers and pursuing policies that allow their currencies to reflect more fully underlying economic fundamentals."
- Ministers and governors also agreed to "additional refinements" in the use of economic indicators for the multilateral surveillance arrangements approved in Tokyo last May.

## ANALYSIS: The Message of G-5

(Continued from Page 1)  
 willing to provide: He promised to increase the size of tax reductions already scheduled for 1988.

In return, the United States promised to continue efforts to reduce the size of its enormous budget deficit, which is widely regarded as fueling the equally huge trade deficit, and to "foster" stability in the foreign exchange market.

Further substantial shifts in exchange rates, the officials stated, "could damage growth and adjustment prospects." They thus "agreed to cooperate closely to foster stability of exchange rates around current levels."

But neither the official statement nor subsequent comments by the ministers gave any indication of what the upper or lower limits of acceptable "current levels" might be, or how they would be defended.

"The market will be disappointed by the vagueness of the statement," the treasurer of a leading U.S. bank commented, "and may try to move the dollar lower" on Monday.

But he said in a telephone interview that he doubted there would be any serious attempt soon "to test the commitment" to stabilize the rate.

The next big test of the dollar, he predicted, will come when Washington reports the U.S. trade figures for January and the revised figures for December, which initially registered a sharp reduction.

"What the market needs now are facts," the banker said, "and if the figures are interpreted as being bad, then the markets will test the willingness of central banks to stabilize the rate."

He estimated that officials would tolerate a trading range for the dollar of 1.70 to 1.90 Deutsche marks and of 150 to 160 yen. The dollar closed Friday in New York at 1.8190 DM and 153.55 yen.

From its 1985 high through the end of last year, the dollar dropped 37 percent against the yen and 35 percent against the mark. This year, at its worst, the dollar shed another 6 percent against the yen and 8 percent against the mark, causing great difficulties for the export industries in those countries.

The decline ignited fears that the dollar was on a runaway downward path that would wreck exports for the Japanese and West Germans and, by increasing the cost of U.S. imports, set off a new wave of inflation in the United States.

## Peru Supports Brazil's Move

Agence France-Press

LIMA — Brazil's suspension Friday of interest payments on its \$109 billion foreign debt was a "valiant decision" that vindicated Peru's own policy, President Alan Garcia Pérez of Peru said on Saturday.

"We hope other countries will adopt the same attitude to limit their payments," he said.

Mr. Garcia called Brazil's action "a historic endorsement" of Peru's policy of limiting its debt servicing to 10 percent of its export earnings. Brazil's moratorium showed "that we are not lunatics," he said.

Mr. Garcia said he had felt since Friday that the Third World debt problem had "reached a breaking point."

## DEBT: After Brazil Suspension, Argentina Threatens to Halt Payments

(Continued from Page 1)

est of any developing nation, is an estimated \$109 billion.

At current interest rates, U.S. creditors would normally receive about \$500 million from Brazil each quarter. If the suspension of interest payments extends beyond 90 days, it would hurt banks' earnings because they would then be required by law to put aside reserves to cover overdue payments.

The bankers said they had little choice but to put up with some kind of suspension. The only long-term solution, they noted, was for them to help Brazil devise a plan for fundamental economic reform, in order to lower inflation, increase savings and cool the burst of domestic spending.

"They've got to start negotiating at once to deal with this mess," another international lender said. "Right now, they don't have an

economic package to deal with the problems."

Brazil, which has paid no principal on its commercial debt since the country's last financial storm in 1982 and 1983, appeared to have resumed its traditional fast growth rates in 1985 and 1986.

A healthy trade surplus more than covered annual interest payments of \$9 billion to \$11 billion. Both local officials and foreign bankers had predicted that Brazil would soon resume normal borrowing operations.

But a price freeze imposed last February increased purchasing power and stimulated an unprecedented boom in consumer spending. Consequently, exports slumped and imports rose. The country's foreign exchange reserves then tumbled, bringing on the new debt crisis.

From monthly surpluses of more than \$1 billion in mid-1986, the merchandise trade surplus fell to just \$129 million in January this year, the lowest in four years.

Similarly, in barely 12 months, reserves dropped from \$11 billion to less than \$4 billion. Inflation has also soared again in the past three months and is now running at an annual rate of more than 700 percent.

In Friday's address, Mr. Sarney repeated a previous position that too great an effort to pay foreign debt interest would slow internal investment, reducing jobs and thus risking social unrest that could threaten the two-year-old civilian government.

"Bills that are paid in misery are paid with democracy," he said.

While the announcement seemed aimed at stirring nationalistic feelings, it was criticized by opposition leaders of the right and left.

Senator Roberto Campos, planning minister under the former military regime, lamented Brazil's unilateral move, which, he said, was the result of "management incompetence and imprudence."

Noting that world interest rates as well as Brazil's oil import bill fell last year, he added, "There was no external factor to justify Brazil's insolvency."

A prominent labor leader, Luis Inacio Lula da Silva, whose Workers Party has frequently called for a total halt to Brazil's debt payments, was also critical.

"A moratorium works when you announce it from a position of strength, when you have money and decide to invest it domestically instead of paying it abroad," he said.

"But in this case, I think the moratorium is just bankruptcy." (NYT, Reuters)

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# NASDAQ National Market

OTC Consolidated trading for week ended Friday, Feb. 20

Sales in 100s High Low Close Chg			Sales in 100s High Low Close Chg			Sales in 100s High Low Close Chg											
ABC	2.1	8 1/2	7 1/2	7 1/2	+1/4	ABC	2.1	8 1/2	7 1/2	7 1/2	+1/4	ABC	2.1	8 1/2	7 1/2	7 1/2	+1/4
AD	1.5	12 1/2	11 1/2	11 1/2	+1/4	AD	1.5	12 1/2	11 1/2	11 1/2	+1/4	AD	1.5	12 1/2	11 1/2	11 1/2	+1/4
AE	1.2	15 1/2	14 1/2	14 1/2	+1/4	AE	1.2	15 1/2	14 1/2	14 1/2	+1/4	AE	1.2	15 1/2	14 1/2	14 1/2	+1/4
AF	1.8	18 1/2	17 1/2	17 1/2	+1/4	AF	1.8	18 1/2	17 1/2	17 1/2	+1/4	AF	1.8	18 1/2	17 1/2	17 1/2	+1/4
AG	2.5	22 1/2	21 1/2	21 1/2	+1/4	AG	2.5	22 1/2	21 1/2	21 1/2	+1/4	AG	2.5	22 1/2	21 1/2	21 1/2	+1/4
AH	3.2	30 1/2	29 1/2	29 1/2	+1/4	AH	3.2	30 1/2	29 1/2	29 1/2	+1/4	AH	3.2	30 1/2	29 1/2	29 1/2	+1/4
AI	4.0	38 1/2	37 1/2	37 1/2	+1/4	AI	4.0	38 1/2	37 1/2	37 1/2	+1/4	AI	4.0	38 1/2	37 1/2	37 1/2	+1/4
AJ	5.0	48 1/2	47 1/2	47 1/2	+1/4	AJ	5.0	48 1/2	47 1/2	47 1/2	+1/4	AJ	5.0	48 1/2	47 1/2	47 1/2	+1/4
AK	6.0	58 1/2	57 1/2	57 1/2	+1/4	AK	6.0	58 1/2	57 1/2	57 1/2	+1/4	AK	6.0	58 1/2	57 1/2	57 1/2	+1/4
AL	7.0	68 1/2	67 1/2	67 1/2	+1/4	AL	7.0	68 1/2	67 1/2	67 1/2	+1/4	AL	7.0	68 1/2	67 1/2	67 1/2	+1/4
AM	8.0	78 1/2	77 1/2	77 1/2	+1/4	AM	8.0	78 1/2	77 1/2	77 1/2	+1/4	AM	8.0	78 1/2	77 1/2	77 1/2	+1/4
AN	9.0	88 1/2	87 1/2	87 1/2	+1/4	AN	9.0	88 1/2	87 1/2	87 1/2	+1/4	AN	9.0	88 1/2	87 1/2	87 1/2	+1/4
AO	10.0	98 1/2	97 1/2	97 1/2	+1/4	AO	10.0	98 1/2	97 1/2	97 1/2	+1/4	AO	10.0	98 1/2	97 1/2	97 1/2	+1/4
AP	11.0	108 1/2	107 1/2	107 1/2	+1/4	AP	11.0	108 1/2	107 1/2	107 1/2	+1/4	AP	11.0	108 1/2	107 1/2	107 1/2	+1/4
AQ	12.0	118 1/2	117 1/2	117 1/2	+1/4	AQ	12.0	118 1/2	117 1/2	117 1/2	+1/4	AQ	12.0	118 1/2	117 1/2	117 1/2	+1/4
AR	13.0	128 1/2	127 1/2	127 1/2	+1/4	AR	13.0	128 1/2	127 1/2	127 1/2	+1/4	AR	13.0	128 1/2	127 1/2	127 1/2	+1/4
AS	14.0	138 1/2	137 1/2	137 1/2	+1/4	AS	14.0	138 1/2	137 1/2	137 1/2	+1/4	AS	14.0	138 1/2	137 1/2	137 1/2	+1/4
AT	15.0	148 1/2	147 1/2	147 1/2	+1/4	AT	15.0	148 1/2	147 1/2	147 1/2	+1/4	AT	15.0	148 1/2	147 1/2	147 1/2	+1/4
AV	16.0	158 1/2	157 1/2	157 1/2	+1/4	AV	16.0	158 1/2	157 1/2	157 1/2	+1/4	AV	16.0	158 1/2	157 1/2	157 1/2	+1/4
AW	17.0	168 1/2	167 1/2	167 1/2	+1/4	AW	17.0	168 1/2	167 1/2	167 1/2	+1/4	AW	17.0	168 1/2	167 1/2	167 1/2	+1/4
AX	18.0	178 1/2	177 1/2	177 1/2	+1/4	AX	18.0	178 1/2	177 1/2	177 1/2	+1/4	AX	18.0	178 1/2	177 1/2	177 1/2	+1/4
AY	19.0	188 1/2	187 1/2	187 1/2	+1/4	AY	19.0	188 1/2	187 1/2	187 1/2	+1/4	AY	19.0	188 1/2	187 1/2	187 1/2	+1/4
AZ	20.0	198 1/2	197 1/2	197 1/2	+1/4	AZ	20.0	198 1/2	197 1/2	197 1/2	+1/4	AZ	20.0	198 1/2	197 1/2	197 1/2	+1/4

Sales in 100s High Low Close Chg			Sales in 100s High Low Close Chg			Sales in 100s High Low Close Chg											
BB	2.5	22 1/2	21 1/2	21 1/2	+1/4	BB	2.5	22 1/2	21 1/2	21 1/2	+1/4	BB	2.5	22 1/2	21 1/2	21 1/2	+1/4
BC	3.0	28 1/2	27 1/2	27 1/2	+1/4	BC	3.0	28 1/2	27 1/2	27 1/2	+1/4	BC	3.0	28 1/2	27 1/2	27 1/2	+1/4
BD	3.5	34 1/2	33 1/2	33 1/2	+1/4	BD	3.5	34 1/2	33 1/2	33 1/2	+1/4	BD	3.5	34 1/2	33 1/2	33 1/2	+1/4
BE	4.0	40 1/2	39 1/2	39 1/2	+1/4	BE	4.0	40 1/2	39 1/2	39 1/2	+1/4	BE	4.0	40 1/2	39 1/2	39 1/2	+1/4
BF	4.5	46 1/2	45 1/2	45 1/2	+1/4	BF	4.5	46 1/2	45 1/2	45 1/2	+1/4	BF	4.5	46 1/2	45 1/2	45 1/2	+1/4
BG	5.0	52 1/2	51 1/2	51 1/2	+1/4	BG	5.0	52 1/2	51 1/2	51 1/2	+1/4	BG	5.0	52 1/2	51 1/2	51 1/2	+1/4
BH	5.5	58 1/2	57 1/2	57 1/2	+1/4	BH	5.5	58 1/2	57 1/2	57 1/2	+1/4	BH	5.5	58 1/2	57 1/2	57 1/2	+1/4
BI	6.0	64 1/2	63 1/2	63 1/2	+1/4	BI	6.0	64 1/2	63 1/2	63 1/2	+1/4	BI	6.0	64 1/2	63 1/2	63 1/2	+1/4
BJ	6.5	70 1/2	69 1/2	69 1/2	+1/4	BJ	6.5	70 1/2	69 1/2	69 1/2	+1/4	BJ	6.5	70 1/2	69 1/2	69 1/2	+1/4
BK	7.0	76 1/2	75 1/2	75 1/2	+1/4	BK	7.0	76 1/2	75 1/2	75 1/2	+1/4	BK	7.0	76 1/2	75 1/2	75 1/2	+1/4
BL	7.5	82 1/2	81 1/2	81 1/2	+1/4	BL	7.5	82 1/2	81 1/2	81 1/2	+1/4	BL	7.5	82 1/2	81 1/2	81 1/2	+1/4
BM	8.0	88 1/2	87 1/2	87 1/2	+1/4	BM	8.0	88 1/2	87 1/2	87 1/2	+1/4	BM	8.0	88 1/2	87 1/2	87 1/2	+1/4
BN	8.5	94 1/2	93 1/2	93 1/2	+1/4	BN	8.5	94 1/2	93 1/2	93 1/2	+1/4	BN	8.5	94 1/2	93 1/2	93 1/2	+1/4
BO	9.0	100 1/2	99 1/2	99 1/2	+1/4	BO	9.0	100 1/2	99 1/2	99 1/2	+1/4	BO	9.0	100 1/2	99 1/2	99 1/2	+1/4
BP	9.5	106 1/2	105 1/2	105 1/2	+1/4	BP	9.5	106 1/2	105 1/2	105 1/2	+1/4	BP	9.5	106 1/2	105 1/2	105 1/2	+1/4
BQ	10.0	112 1/2	111 1/2	111 1/2	+1/4	BQ	10.0	112 1/2	111 1/2	111 1/2	+1/4	BQ	10.0	112 1/2	111 1/2	111 1/2	+1/4
BR	10.5	118 1/2	117 1/2	117 1/2	+1/4	BR	10.5	118 1/2	117 1/2	117 1/2	+1/4	BR	10.5	118 1/2	117 1/2	117 1/2	+1/4
BS	11.0	124 1/2	123 1/2	123 1/2	+1/4	BS	11.0	124 1/2	123 1/2	123 1/2	+1/4	BS	11.0	124 1/2	123 1/2	123 1/2	+1/4
BT	11.5	130 1/2	129 1/2	129 1/2	+1/4	BT	11.5	130 1/2	129 1/2	129 1/2	+1/4	BT	11.5	130 1/2	129 1/2	129 1/2	+1/4
BV	12.0	136 1/2	135 1/2	135 1/2	+1/4	BV	12.0	136 1/2	135 1/2	135 1/2	+1/4	BV	12.0	136 1/2	135 1/2	135 1/2	+1/4
BW	12.5	142 1/2	141 1/2	141 1/2	+1/4	BW	12.5	142 1/2	141 1/2	141 1/2	+1/4	BW	12.5	142 1/2	141 1/2	141 1/2	+1/4
BX	13.0	148 1/2	147 1/2	147 1/2	+1/4	BX	13.0	148 1/2	147 1/2	147 1/2	+1/4	BX	13.0	148 1/2	147 1/2	147 1/2	+1/4
BY	13.5	154 1/2	153 1/2	153 1/2	+1/4	BY	13.5	154 1/2	153 1/2	153 1/2	+1/4	BY	13.5	154 1/2	153 1/2	153 1/2	+1/4
BZ	14.0	160 1/2	159 1/2	159 1/2	+1/4	BZ	14.0	160 1/2	159 1/2	159 1/2	+1/4	BZ	14.0	160 1/2	159 1/2	159 1/2	+1/4

## THE BELLE ÉPOQUE

IN THE PARIS HERALD

by Hebe Dorsey

Eye-witness accounts of a shimmering era and its beautiful people — dazzling scandals — and crazy crazes — including the horseless carriage and flying machine!

As the opening event of its Centennial Year, the International Herald Tribune brings you this brilliant new book with reproductions of major turn-of-the-century news stories, superb fashion reports, lively gossip and 147 illustrations — culled from the archives of the Paris Herald (original name of today's Trib).

With lively commentary by the Trib's fashion and society editor, Hebe Dorsey, this book is one you can open anytime to any page and read with fascination and delight. A wonderful gift idea.

Hardcover, 224 pages, 20 x 28.5 cm. (11 1/2 x 9 1/2 in.) 147 illustrations, 16 in color.

**Herald Tribune**

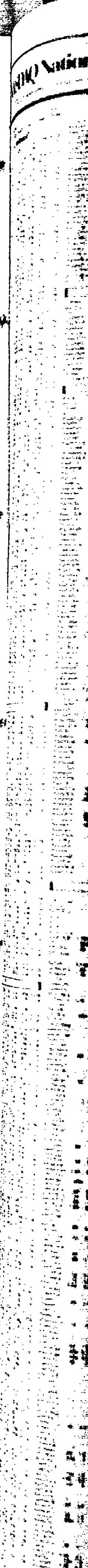
Please send me \_\_\_\_\_ copies of THE BELLE ÉPOQUE in THE PARIS HERALD at U.S.\$40.00 each, plus postage; \$5.00 each in Europe; \$14.00 each outside Europe.

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23-2-87



NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Table of NASDAQ National Market data, including columns for stock symbols, prices, and volume.

International Bond Prices

Table of International Bond Prices, listing various international bonds and their yields.

Austria Moves to Prevent Insider Trading

VIENNA — Austria is moving to prevent insider trading on the Vienna Stock Exchange...

International Bond Prices

Table of International Bond Prices, listing various international bonds and their yields.

Wall Street Review

Table of Wall Street Review, including AMEX Most Actives, NYSE Most Actives, AMEX Sales, NYSE Sales, AMEX Diaries, and NYSE Diaries.

Euromarts At a Glance

Table of Euromarts At a Glance, listing various financial metrics and rates.

Mutual Funds

Table of Mutual Funds, listing various mutual funds and their performance.

his 'Peace Lies Unrest Over Israel

SPORTS

SPORTS BRIEFS

Frenchman Lowers Record for 200 Meters

LIEVIN, France (UPI) — Bruno Marie-Rose of France set a world indoor record of 20.36 seconds in the 200-meter final at the European indoor track and field championships here Sunday.

A Hole-in-One Gives Chen Lead in L.A. Golf

LOS ANGELES (UPI) — T.C. Chen made a hole-in-one Saturday on his way to a 4-under-par 67 that gave him a one-stroke lead after the third round of the Los Angeles Open golf tournament.

Chen, from Taiwan, stood at 204, 7-under par. Danny Edwards was at 205, and Bobby Watkins, the first-round leader, was tied with Ben Crenshaw at 206.

De Leon Retains WBC Cruiserweight Title

BERGAMO, Italy (Combined Dispatches) — Carlos De Leon of Puerto Rico retained his World Boxing Council cruiserweight title Saturday as Italian challenger Angelo Rotoli, bleeding from a cut above his right eye, was stopped by the ring doctor before the fifth-round bell.

Theatrical by a Neck

HIJALEAH, Florida (AP) — Theatrical led the entire race and held off Long Mick by a neck Saturday to win the \$200,000 Hialeah Turf Cup.

Theatrical, a 5-year-old ridden by Pat Day, outran Duluth for the lead going into the far turn for the first time, and led by a length leaving the stretch run the first time.

Long Mick cut the lead from three-quarters of a length to a head in the final 40 yards. The winner was timed in 2:28-3/5 over 1 1/4 miles.

Howser Stands Tall After Death's Brushback

By George Vecsey

FORT MYERS, Florida — Yes, Dick Howser conceded, there were a few changes in the manager who won the World Series in 1985. He does not remove his cap in public these days, and his uniform has been altered because he has lost 17 pounds (7.7 kilograms).

"Don't do it the way I did it," he added, with a twinge of irony. "Do it some other way."

He is not recommending two operations for brain cancer, although he does not mind admitting he came out of the first operation "looking for the Lord" ahead of any of his loved ones.

"I'm just glad that happened to me at 50 and not 60 — or when it's too late," Howser said Saturday, back in his baseball workplace.

His bite Kansas City Royal cap was perched on his head, not quite hiding the bottom of the five-inch (12.8-centimeter) surgical scar over his left temple. He has other scars, which he wears on impulse away from the ball park.

"I'd take it off," he said, winking at a few familiar faces in the media swarm, "but it would be a little gross."

There was nothing gross about Richard Dalton Howser, not on his first day back to work, not in his 25 seasons in the major leagues, even when he was being left to twist in the wind by New York Yankee owner George Steinbrenner, even when he second-guessed troops into his office in the 1985 World Series, wanting to know why he had not used his ace relief pitcher, Dan Quisenberry.

Howser more or less deflected that question by winning the World Series a week later, and he has always handled the stress of managing.

"This is what I've done best," he said. "I played eight years, I coached 10, and I'll do this at least a couple more years."

He smiled and said he would give only positive answers in the news conference staged so Howser could go through the details one time, and get off the subject for the rest of the spring.

He plans to skip a few away games during spring training, leaving the club in the hands of Billy Gardner, the former manager of Minnesota. Howser said he feels fine, "except for being a little tired, a little woozy, in the afternoon," but he expects to manage the club this season.

"You either do it or you don't," he said, later adding, "If I can't do it, I'll bail out."

The illness was discovered last July, after Howser had suffered headaches and seemed confused about details while managing the American League all-star team.

At St. Luke's Hospital in Kansas City, doctors removed a golf-ball-sized tumor from his brain. They classified it as the worst of four grades of brain cancer, but Howser says he believes it is between a three and a two.

Later, he chose to undergo treatment at Huntington Memorial Hospital in Pasadena, California, to be infused with 4 billion "killer cells," an experimental process. The remaining tumor is said to have shrunk to the size of a coin, and he has been told he can go back to work.

"The Lord's going to be the only one who can take me away from this," Howser said.

He said he was grateful when he awoke from the first operation, even though doctors said him, with tears in their eyes, that his form of cancer was the most severe.

"The first person I wanted to see was a pastor," he said. "A pastor named Jim Wells from Kansas City called my old phone number, and I don't know how he reached me, but he got a hold of me."

"But he was not the only one. I've had friends from Florida, my brother flew to Los Angeles with me for the second operation, there's been a bunch of people. I got 14,000 letters and I'm going to answer every one of them."

"I never spent a day in the hospital before this, but I haven't met anybody that I didn't like. Sure, people will say, 'I'm Dick Howser, so they give me good care, but it's more than that. There's so many people worse off than me. What I've seen in hospitals is not a lot of fun.'"

He said he had not been unusually excited about this first day of spring training. But he admitted that the ovation from the fans "field of got to me." He had waved his arms and kept them in front of his face for a few seconds.

Meanwhile, his players threw and batted and fielded, a perpetual contending team with a manager coming out of surgery.

"Dick has carried us through some bad times in the past," said Jim Sundberg, the catcher. "He's been an inspiration to us now."

Howser did not bring up his illness to the troops Saturday. He said, "I just told them, 'Let's go.' We've got the best team in our division, although some people might disagree with me."

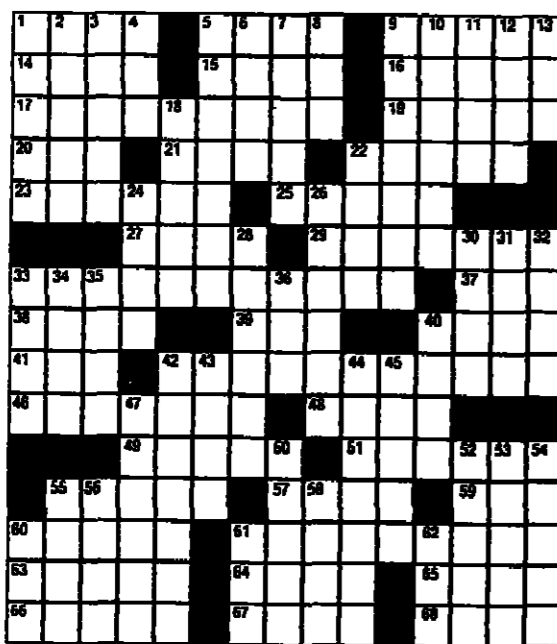
He asserted the strength of his team in the same casual way he has conducted himself. Howser never asked "Why me?" when Steinbrenner let him go. Howser never asked "Why me?" when reporters packed his office when he did not go to Quisenberry in the World Series.

If he has asked the biggest "Why me?" of them all, he will not do it in public. "This is a story that needs to be told," he said. "What the Lord has done."

He spotted a few stragglers who had been delayed in traffic, and he asked them, "Need anything?" Howser was back at work, and that was all he had wanted.



Dick Howser: Never a "Why me?"



ACROSS
1 Spanish house
5 Sphere of work
9 Cuts of lamb
14 Pindaric works
15 Sitarist
16 Up's partner
17 Employer of Jane Eyre
19 Trouble
20 — Nouveau
21 Movie cult
22 Modity
23 Mitigate
25 Cavalry weapon
27 Actor Sharif
28 In the van
33 Med Buntline
37 Civil War veterans' org.
38 Director
39 Kazan
40 Caustic
41 M.I.T. grad.
42 Legendary kidnap victim
46 Hobby
48 Inevitable
49 Musical composition
51 Tantalizes

13 Farmyard structure
18 Swelling
22 First murder victim
24 Couch's cousin
26 Outlanders
28 Used wheels
30 Stravinsky
31 Former Haig command
32 Grizzled
33 Alert
34 Large
35 Forearm bone
36 Fruit trees
38 By the (Incidentally)
40 Newsstory
42 Batters like
43 Kind of
44 Wall sockets
45 Rids of
47 Verb forms
50 Escape by
51 Trickery
52 Inclined (to)
53 Babel
54 Structure
54 Meaning
55 Letup
56 Yen
58 Surrounded by
60 Collar
61 Sound harshly
62 Go a little better

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DENNIS THE MENACE



WASHINGTON AND LINCOLN WERE LUCKY TO HAVE THEIR BIRTHDAYS ON HOLIDAYS!

JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
NYWEL
ASTEE
RALLOF
ENTAIN
Answer here: A

Friday's Jumbles: FIFTY FIFTH MYRIAD INLAND
Answer: Somebody who calls a spade a spade might want to give you this — A DIRTY DIG!

WEATHER

Table with columns for EUROPE, ASIA, AFRICA, LATIN AMERICA, NORTH AMERICA, MIDDLE EAST, OCEANIA. Rows list cities and their weather conditions.

MONDAY'S FORECAST — CHANNEL: SUNNY. FRANKFURT: OVERCAST. TORONTO: 1-3 (14-20). LONDON: CLOUDY. GENEVA: 2-4 (37-47). PARIS: 3-5 (41-53). NEW YORK: 3-5 (37-47). WASHINGTON: 3-5 (37-47). CHICAGO: 3-5 (37-47). MIAMI: 3-5 (37-47). LOS ANGELES: 3-5 (37-47). TOKYO: 3-5 (37-47).

PEANUTS



BLONDIE



BETTY BAILEY



ANDY CAPP



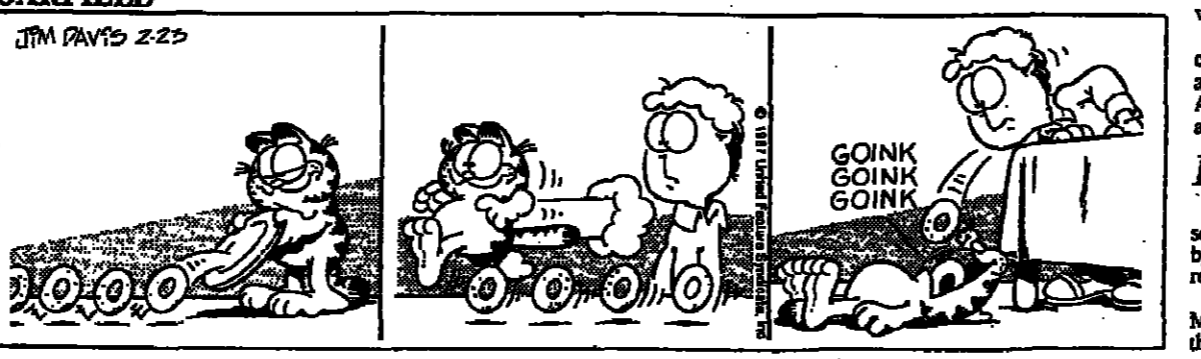
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REX MORGAN



GARFIELD



WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

The Amsterdam Stock Exchange staged a modest recovery last week in response to a steadier dollar and the possibility that talks in Paris over the weekend could lead to further stabilization.

The ANP-CBS general share index moved from 261.2 to 263.5 over the week. The market is now looking ahead to results from leading companies in the coming weeks, starting with electrical group Philips NV on Thursday.

Frankfurt

Prices on the Frankfurt stock exchange continued to decline last week on uncertainties surrounding the dollar.

The Frankfurt 30 share index closed at 1,742.2, a week's loss of 1.5 percent, after a week triggered by a wave of selling orders by foreign investors and sent indexes plunging to 15-month lows.

But the announcement Thursday that finance ministers from leading industrial nations would meet in Paris over the weekend pushed the index up 3 percent.

For the week as a whole, the Commerzbank index lost 18.9 points to finish at 1,742.2. The announcement by Brazil that it was suspending interest payments to creditor banks weighed heavily on the banking sector.

Deutsche Bank AG was down 32 Deutsche marks to 665. Dresdner Bank gave up 14.70 to finish at 349 and Commerzbank lost 12.70 to end the week at 261.30.

Hong Kong

The Hang Seng Index broke the 2,800 barrier for the first time last week, closing Friday at 2,827.40, up 86.91 points on the week, while the Hong Kong Index put on 64.31 to close at 1,816.47.

Trading Monday was bolstered when Hong Kong authorities said they would not prosecute Australian entrepreneur Alan Bond for misleading statements about the net value of Bond Corp. International Ltd., his Hong Kong unit, whose shares made their debut on the market on Jan. 5.

On Tuesday, Mr. Bond's Bond International announced that it had bought Financial Square, an office complex under construction in Hong Kong's Central business district for \$244 million.

It was the third major acquisition by Bond International in Hong Kong since October.

London

Hopes that next month's British budget will combine tax cuts and lower interest rates boosted equities to new peaks over the past week on the London Stock Exchange.

The Financial Times 30 share index reached new highs on three consecutive days, although midweek profit-taking interrupted the rise. The indicator closed Friday at 1,567, up 46 points on the week. Transactions increased from 228,149 to 270,517.

Consumer-related stocks remained at the fore, despite disappointing retail sales figures for January. Pharmaceuticals, led by Wellcome Foundation Ltd. and Glaxo Holdings PLC, continued to gain ground. But oils were mostly easier because of falling crude prices and British Petroleum Co.'s disappointing fourth quarter results.

Gilts rose to their highest level for five months when rumors of a meeting of the Group of Seven finance ministers in Paris were confirmed.

Milan

Political uncertainty and increasingly acrimonious debate about suggested reforms of the local stock market caused further share losses in Milan last week.

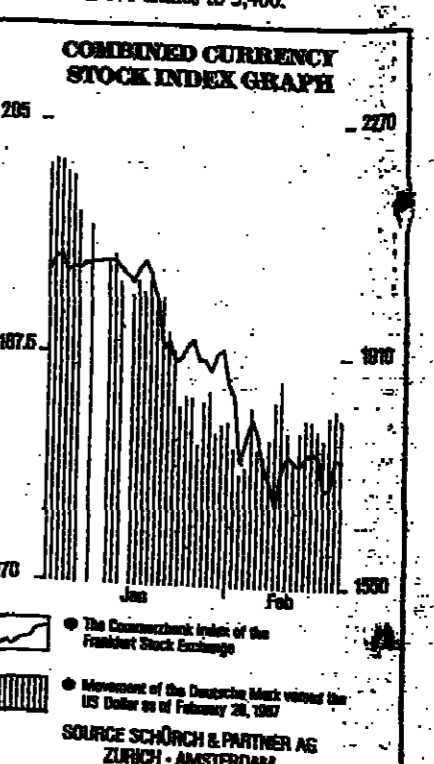
The COMIT index closed 0.69 percent down, finishing Friday at 687.66, after the previous week's 692.40. Trading volume was up by 3.97 percent, to 182 million shares, for a value of 891.89 trillion lire.

Parkly shares were Mediobanca, up 3.71 percent after a gain of 4 percent the previous week, and Nuovo Banco Ambrosiano, up 3.5 percent. Automaker Fiat SpA closed down 1.99 percent and Montedison lost 0.63 percent.

Paris

Share trading in Paris last week was described as anxious, with sentiment depressed by poor foreign-trade figures and fears of a resurgence of inflation.

The CAC index, after gaining 0.3 percent on Monday to 421.1, fell steadily over the next three days before rising again on Friday to



REBOARD

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